

Message Text

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-----062909 262303Z /62

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FM AMEMBASSY SAN JOSE
TO SECSTATE WASHDC PRIORITY 0877
INFO AMEMBASSY GUATEMALA
AMEMBASSY MANAGUA
AMEMBASSY SAN SALVADOR
AMEMBASSY TEGUCIGALPA

C O N F I D E N T I A L SECTION 1 OF 4 SAN JOSE 1779

C O R R E C T E D C O P Y (PARA 7.A.)

E.O. 11652: GDS
TAGS: ECRP, OGEN, CS
SUBJ: BRIEFING OF PRESIDENT-ELECT AND KEY ADVISORS ON MAJOR US
PROGRAMS AND INTERESTS

1. SUMMARY. PRESIDENT-ELECT CARAZO, VICE PRESIDENT-ELECT MLFARO,
INCOMING FOREIGN MINISTER CALDERON AND TWO KEY PRESIDENTIAL
ADVISORS
RECEIVED AN ALMOST THREE-HOUR BRIEFING 19 APRIL ON THE
MAJOR POLITICAL AND
ECONOMIC AFFAIRS OF COMMON INTEREST, AS WELL
AS THE STATUS OF USG BILATERAL (AID AND PC) ASSISTANCE PROGRAMS.
BREAKFAST SESSION AT RESIDENCE DEMONSTRATED CLEARLY CARAZO'S SENSE
OF ORGANIZATION, EXTENSIVE INSIGHTS INTO A VARIETY OF COMPLEX
ISSUES, AND SERIOUS INTEREST IN SOCIO-ECONOMIC DEVELOPMENT MATTERS
GENERALLY. BASED ON QUESTIONS AND OBSERVATIONS FROM HIM AND ALFARO
MAINLY, WE CAN EXPECT TO SEE A CONTINUED CLOSE AND FRIENDLY, BUT
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MORE DEMANDING BILATERAL RELATIONSHIP DEVELOPING WITH THE EAGER,
IMPATIENT INCOMING CARAZO ADMINISTRATION.

2. THE BRIEFING SESSION WAS TIMED TO OCCUR JUST AFTER CARAZO AND
HIS KEY ADVISORS HAD THEIR SHAKEDOWN CRUISE, MEETING ALMOST CONT-
INUOUSLY OVER THE PAST TWO WEEKS TO DEFINE AN AGENDA OF PROGRAMS
AND PROBLEMS THEY WILL ENCOUNTER AFTER MAY 8. BY COINCIDENCE, THE

SESSION OCCURRED THE DAY FOLLOWING THE FIRST ODUBER-CARAZO ENCOUNTER IN SEVERAL YEARS, THOUGH THEIR LUNCH, AT ODUBER'S INVITATION, HAD MORE OF A SOCIAL THAN BUSINESS CAST.

3. A 33-PAGE BRIEFING BOOK SUMMARIZED THE STATUS OF ACTIVITIES OF THE VARIOUS USG ELEMENTS OPERATING IN COSTA RICA WAS PREPARED FOR THE SESSION AND WAS PROVIDED TO PARTICIPANTS TWO DAYS BEFORE THE MEEOUNG. CARAZO NOT ONLY APPARENTLY HAD READ IT THOROUGHLY, BUT ALSO HAD STAFF FOLLOW-UP ON SOME ISSUES EVEN PRIOR TO THE BRIEFING SESSION, AS WAS CLEAR FROM QUESTIONS AND COMMENTS HE OFFERED. ALSO MOST GRATIFYING IS THE FACT THAT HE REPORTED ON THE SESSION IN DETAIL AT A "CABINET" MEETING ON APRIL 20 AND, THROUGH HIS MINISTER OF PLANNING-DESIGNATE, HAS ASKED THAT WE NOW PROVIDE COPIES OF THE BRIEFING BOOK TO EACH INCOMING CABINET MINISTER.

4. THE BRIEFING BEGAN WITH THE AMBASSADOR LISTING IN A MINIMALLY SANITIZED FORM THE LIST OF US GOALS AND OBJECTIVES RECENTLY APPROVED BY THE DEPARTMENT, EMPHASIZING THAT UNLIKE SOME OTHER EMBASSIES IN COSTA RICA, WHAT WE ARE DOING AND WHY COULD BEAR CLOSE AND OPEN PUBLIC SCRUTINY. AMBASSADOR ALSO EMPHASIZED THE SIGNIFICANT PORTION OF HIS TIME SPENT WITH THE CURRENT PRESIDENT AND FOREIGN MINISTER ON MATTERS THAT WERE NOT PRINCIPALLY BILATERAL IN NATURE, CALLING ATTENTION TO COSTA RICA'S CHARACTERISTIC WILLINGNESS, BASED ON COMMON OUTLOOK, TO EXERCISE A MODERATING INFLUENCE IN SUB-REGIONAL, REGIONAL AND GLOBAL MATTERS.

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5. POLOFF THEN PROCEEDED TO OUTLINE EXAMPLES OF THIS, SUMMARIZING COOPERATION ON A RANGE OF ISSUES FROM THE CANAL TREATIES TO OUR SHARED INTEREST IN MORE DEVELOPMENT COOPERATION IN THE BROAD CARIBBEAN BASIN. PARTICULAR EMPHASIS WAS GIVEN TO THE NICARAGUAN SITUATION, WITH OUR TAKING THE OPPORTUNITY TO STRESS THE THREAT TO NOT ONLY COSTA RICA'S STABILITY, BUT THAT OF THE ENTIRE SUB-REGION FROM FSLN COSTA RICAN-BASED ACTIVITY. CARAZO ACKNOWLEDGED HIS AWARENESS AND CONCERN, A SUBJECT ALSO DISCUSSED PREVIOUSLY WITH THE INCOMING FONMIN (SAN JOSE 1236).

6. AS FOR HUMAN RIGHTS, COSTA RICA'S RECORD AND US-CR MUTUAL INTERESTS IN UN AND OAS WERE COVERED. LIKELY ISSUES AT NEXT OASGA AND UNGA WERE REVIEWED, AND US POSITIONS RE SSOD, LOS AND ILO OUTLINED. CARAZO EXPRESSED SPECIAL INTEREST IN LAW OF THE SEA ISSUES, NOTING TO HIS FONMIN HOW IMPORTANT IT IS TO HAVE COSTA RICA REPRESENTED AT THE ON-GOING GENEVA MEETINGS AND INSTRUCTING HIM TO SEE THAT THE NEW GOVERNMENT WOULD HAVE COVERAGE ASAP. FORMIN RESPONDED THAT HE HAD ALREADY WORKED OUT THE NEW GOVERNMENT'S PARTICIPATION IN THE CR DELEGATION, AND THAT THE INDIVIDUAL SELECTED WAS DEPARTING THIS WEEK.

7. ECONOFF PROCEEDED TO OUTLINE US TRADE POLICIES, MAINLY IN CON-

TEXT OF GLOBAL PROBLEMS AND RESPONSIBILITIES WHICH REQUIRE GLOBAL TREATMENT, BUT NOTING THAT USG ENDEAVORS TO ADJUST THOSE POLICIES WHENEVER POSSIBLE TO TAKE INTO ACCOUNT INTERESTS OF OUR WORTHY FRIENDS. WITH THAT CLARIFICATION THE FOLLOWING ISSUES WERE DISCUSSED:

A. MEAT EXPORTS - IT WAS POINTED OUT THAT LEVEL UNDER VOLUNTARY RESTRAINT AGREEMENT HAD BEEN INCREASED FOR 1978 AND THAT GIVEN PRESENT CONDITIONS, E.G., IF VENEZUELAN MARKET REMAINS OPEN, LEVEL APPEARS SUFFICIENT FOR 1978. PRICE TRENDS ALSO WERE DISCUSSED. NO OBJECTIONS TO THIS ASSESSMENT WERE RAISED AS WOULD HAVE OCCURRED REFLEXIVELY WITH OBCBERAN. HOWEVER, FONMIN-DESIGNATE RAISED QUESTION ABOUT STATUS OF LEGISLATION REQUIRING LABELLING OF MEAT IMPORTS BY COUNTRY OF ORIGIN.

B. SUGAR POLICY - WE EMPHASIZED THAT US SUGAR POLICY, ALTHOUGH CRITICIZED IN LATIN AMERICA, WAS PROVIDING COSTA RICA WITH A PRE-CONFIDENTIAL

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TREATMENT VIS-A-VIS MOST OTHER EXPORTERS, THANKS TO GSP. FONMIN-DESIGNATE RAISED QUESTIONS ABOUT MAINTENANCE OF GSP AND POSSIBLE IMPOSITION OF COUNTRY QUOTA SYSTEM. HE WAS ADVISED THAT RECENT ITC REPORT ON SUGAR POLICY DID NOT, TO EMBASSY'S KNOWLEDGE, INCLUDE ANY RECOMMENDATION TO ALTER GSP REGIME FOR SUGAR.

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LAB-04 SIL-01 IO-13 AGRE-00 ITC-01 STR-07 OES-07
PC-01 MMO-01 /131 W

-----054608 260411Z /65/61

P R 241456Z APR 78

FM AMEMBASSY SAN JOSE

TO SECSTATE WASHDC PRIORITY 0878

INFO AMEMBASSY GUATEMALA

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CORRECTED COPY FOR PARA ONE

WE NOTED THAT ALTHOUGH REPORT RECOMMENDED COUNTRY IMPORT QUOTA SYSTEM, PRESIDENT WAS NOT OBLIGATED TO ACCEPT ITC RECOMMENDATION. WE NOTED FURTHER THAT INTERNATIONAL SUGAR AGREEMENT REMAINS THE CORNERSTONE OF US SUGAR POLICY AND THAT WE WERE HOPEFUL THAT THE OPERATION OF THE ISA WOULD CONTRIBUTE TO MORE STABLE MARKET CONDITIONS BY YEAR'S END.

C. TEXTILES - ISSUE DISCUSSED OF COSTA RICAN BRA EXPORTS TO US, WHICH HAD DOUBLED SINCE 1975, DECLINE OF US PRODUCTION, AND DECREASE IN EMPLOYMENT IN BRA INDUSTRY IN US. CONCERN ON THIS ISSUE IS POSSIBLE CONTINUED RAPID INCREASE IN COSTA RICAN EXPORTS WHICH COULD CAUSE MARKET DISRUPTION IN THE US. MARCH 1-2 CONSULTATIONS BETWEEN GOCR AND VISITING US TEXTILE TEAM WERE CITED AS EXAMPLE OF TIMELY AND CONSTRUCTIVE CONSULTATIONS WHICH SERVE INTERESTS OF BOTH COUNTRIES BY SEEKING TO DEFUSE POTENTIAL PROBLEMS OR MIS-
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UNDERSTANDINGS. CARAZO ACKNOWLEDGED DESIRABILITY OF SUCH EFFORTS AND EXPRESSED HIS HOPE THAT WE WOULD CONTINUE TO CONSULT FULLY AND OPPORTUNELY.

D. TUNA AND IATTC - ISSUE OF CLOSED SEASON TUNA ALLOCATION FOR COSTA RICA WAS REVIEWED BRIEFLY, WITH EMPHASIS ON THE BENEFICIAL SOLUTION REACHED. IT WAS ALSO POINTED OUT THAT COSTA RICA AND MEXICO HAD PROPOSED A NEW TREATY TO REPLACE THE IATTC, THAT MEXICO FORMALLY HAD NOTIFIED THAT IT WAS WITHDRAWING FROM IATTC, AND THAT GOCR HAD MADE INFORMAL ANNOUNCEMENT TO THAT EFFECT. WE NOTED US VIEW THAT IATTC IS A PROVEN, EFFECTIVE MECHANISM FOR CONSERVATION OF RESOURCES. WE POINTED OUT THAT USG DOES NOT OPPOSE A MODIFICATION OF THE IATTC TO ACCOMMODATE BETTER THE INTERESTS OF THE INVOLVED STATES, BUT QUESTIONS THE WISDOM OF A WHOLLY NEW ARRANGEMENT WITH ALL ITS ATTENDANT DELAYS AND UNCERTAINTIES. CARAZO'S RESPONSE WAS THAT FISHERIES WOULD BE A PRIMARY AREA FOR ATTENTION BY HIS GOVERNMENT AND THAT ALL ASPECTS, E.G., FLEET DEVELOPMENT, CONSERVATION, COASTAL PATROLLING, WOULD BE EMPHASIZED DURING HIS ADMINISTRATION. HE NOTED THAT POTENTIAL ECONOMIC BENEFIT FOR COSTA RICA FROM AN AGGRESSIVE GOCR

FISHERIES POLICY, BUT RECOGNIZED THAT THIS COULD RAISE BILATERAL ISSUES. IN THIS CONTEXT, HE RECALLED HIS PREVIOUS PRIVATE SECTOR EXPERIENCE WITH THE US TUNA FISHING

INDUSTRY AND FISHERMEN. AMBASSADOR REPLIED THAT DETAILED AND COMPREHENSIVE CONSULTATIONS ON THESE ISSUES COULD BE MOST PRODUCTIVE, MENTIONED THAT DEPUTY ASSISTANT SECRETARY NEGROPONTE HAD CONSULTED CLOSELY WITH THE ODUBER ADMINISTRATION, AND SUGGESTED POSSIBLY OF SIMILAR CONSULTATIONS WITH NEW ADMINISTRATION AT EARLY POINT IN TIME.

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3. MULTILATERAL TRADE NEGOTIATIONS - ECONOFF NOTED LACK OF CENTRAL AMERICAN OR COSTA RICAN RESPONSE TO US MTN OFFER AND NEED FOR TIMELY GOCR RESPONSE, BUT RECOGNIZED DIFFICULTY POSED BY CACM COMMON EXTERNAL TARIFF (CXT). WE NOTED THAT US UNDERSTANDS THAT CXT AND OTHER TRADE MEASURES WILL BE NEGOTIATED WITHIN CACM IN 1979, AND SAID THAT US IS PREPARED TO CONSULT TO SEE IF SOME FORMULA CAN BE FOUND TO MEET BOTH OUR INTERESTS. IN THIS CONNECTION, IT WAS POINTED OUT THAT REPRESENTATIVE FROM STR HAS OFFERED TO MEET WITH TRADE OFFICIALS FROM CACM COUNTRIES MAY 15 IN GUATEMALA. HARAZO EXPRESSED INTEREST IN TARIFF REDUCTIONS, STATING HIS ADMINISTRATION

FAVORED QUICK REDUCTIONS ON CACM TARIFFS AND COSTA RICAN INTERNAL TAXES ON SOME IMPORTED CONSUMER GOODS SO AS TO STEM COSTA RICAN TOURIST EXPENDITURES OUTFLOW ON BALANCE OF PAYMENTS. HE SAID THAT REDUCTIONS OF SUCH INTERNAL

TAXES WOULD BE DEALT WITH BY FIRST SESSION OF LEGISLATIVE ASSEMBLY AFTER HIS INAUGURATION. HE CONFIRMED ALSO THAT VICE PRESIDENT-ELECT ALFARO WOULD INTEREST HIMSELF DEEPLY IN CACM MATTERS.

8. AID PRESENTATION WAS DESIGNED TO HIGHLIGHT IMPORTANT ISSUES RE PROPOSED FUTURE PROGRAMS AS WELL AS TO IDENTIFY PROBLEMS IN CURRENT ACTIVITIES. NOTE-WORTHY IN THIS SEGMENT OF BRIEFING WERE HARAZO'S DEEP FAMILIARITY WITH DETAILS OF ALL PROGRAMS REVIEWED AS WELL AS EVIDENCE OF PERSONAL, PROFESSIONAL INTEREST AND PRIOR EXPERIENCE.

A. AGRICULTURAL SECTOR LOAN. RESPONDING TO A BRIEF OVERVIEW DESCRIPTION OF THE CURRENT AID PROGRAM, PRESIDENT-ELECT ASKED WHY THE LOAN PROGRAM, PARTICULARLY THE AGRICULTURAL SECTOR LOAN (515-T-025) SIGNED IN 1974, WAS SO FAR BEHIND SCHEDULE. AID DIRECTOR RESPONDED THAT THIS MIGHT BE IN PART A RESULT OF INSUFFICIENT INTERCHANGE

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OF IDEAS DURING THE DESIGN PHASE OF THE PROGRAM. DIRECTOR NOTED THAT THERE WERE SOME ADMINISTRATIVE BOTTLENECKS IN THE INFOCOOP AND MAG PORTIONS OF AGRICULTURAL LOAN AND BRIEFLY DESCRIBED STEPS THAT HAD BEEN TAKEN TO ELIMINATE THEM. IN RESPONSE TO PRESIDENT-ELECT'S POINTED QUESTION ABOUT THE RATE OF DISBURSEMENT OF NUTRITION LOAN, THE AID DIRECTOR SUGGESTED THAT ONE OF THE PROBLEMS WAS ITS RELATIVE UN-IMPORTANCE IN TERMS OF DOLLAR SIZE WHEN COMPARED TO THE BUDGET OF THE FAMILY ALLOWANCES PROGRAM IT IS DESIGNED TO SUPPORT. AID DIRECTOR ALSO NOTED THAT THE ACTIVITIES FINANCED BY THE LOAN COULD HELP THE GOVERNMENT MAKE THE MOST EFFECTIVE POSSIBLE USE OF FAMILY ALLOWANCES PROGRAM RESOURCES, PROVIDED THERE WERE BETTER COORDINATION BY THE GOVERNMENT OF THE LOAN'S DIVERSE ELEMENTS THROUGH AN ADMINISTRATIVE RESTRUCTURING OF THE LOAN. AID DIRECTOR ADDED THAT MISSION HAS A NUMBER OF SPECIFIC RECOMMENDATIONS TO MAKE IN THIS REGARD. PRESIDENT-ELECT STATED THAT ECONOMIC ADVISOR JORGE CESPEDES, WHO WAS PRESENT AT BRIEFING AND WHO WILL BE IN THE OFFICE OF THE PRESIDENCY, IS THE CONTACT FOR THESE MATTERS. CARAZO ALSO LAMENTED THAT BILATERAL AND MULTILATERAL LOAN PROGRAMS ARE OFTEN CUMBERSOME AND ADMINISTRATIVELY COSTLY TO EXECUTE.

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MMO-01 /130 W

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P R 241456Z APR 78
FM AMEMBASSY SAN JOSE
TO SECSTATE WASHDC PRIORITY 0879
INFO AMEMBASSY GUATEMALA
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HE SAID THAT CLOSE CONTROL AND COORDINATION WILL BE EXERCISED FROM

THE PRESIDENT'S OFFICE TO REDUCE THE COST AND SPEED UP IMPLEMENTATION OF SUCH PROGRAMS.

B. URBAN ENVIRONMENT LOAN. THE PRESIDENT-ELECT DISPLAYED BOTH GREAT INTEREST IN AND FAMILIARITY WITH THE PROPOSED URBAN ENVIRONMENT LOAN PROJECT. HE SAID HE HAD ALREADY DISCUSSED THIS LOAN WITH INVU. HE STATED HIS BELIEF THAT THE "HARD" LOAN TERMS AND INTEREST RATES FOR THE HOUSING AND INFRASTRUCTURE PORTION OF THE LOAN MIGHT RESULT IN PAYMENTS BEYOND THE MEANS OF THE BENEFICIARIES. PRESIDENT-ELECT WAS TOLD THAT WE SHARE HIS CONCERN, BUT THAT OUR FEASIBILITY STUDIES INDICATE THE MONTHLY PAYMENTS FOR THE PROPOSED HOUSING SOLUTION, COULD BE MET BY THE PEOPLE FOR WHOM THESE PROGRAMS ARE BEING DESIGNED. IT WAS ALSO POINTED OUT THAT SINCE THE BIG MONEY COMES FROM PRIVATE US INVESTORS IT MAY BE DIFFICULT TO

LOWER THE INTEREST RATES. IN FURTHER DISCUSSION OF THIS PROGRAM, THE NEED FOR A CLEAR AND COMPLETE DEFINITION OF THE GUARANTY FUND COVERING THE LOANS TO BE MADE TO SMALL BUSINESSES AND HANDICRAFT SHOPS WAS EMPHASIZED. ALSO DISCUSSED WAS THE CONCERN OF AID/WASH-CONFIDENTIAL

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INGTON REGARDING CREDIT COMPONENT OF THE LOAN. IT WAS POINTED OUT THAT ACTUAL LOAN DISBURSEMENTS TO SMALL INDUSTRY HAD NOT REACHED THE CEILINGS ESTABLISHED IN THAT SECTOR IN EITHER 1976 OR 1977. THE NEED FOR ADEQUATE STIMULUS FROM THE HIGHEST LEVELS OF THE GOVERNMENT TOWARD THE NATIONAL BANKING SYSTEM TO PERSUADE BANKERS TO INCREASE THE CREDIT FLOW TO SMALL INDUSTRIES WAS ALSO STRESSED. THE POSSIBILITY OF CREATING WORKER-OWNED ENTERPRISES AS PART OF THIS PROGRAM WAS MENTIONED BUT NOT EXPLORED. IN A FINAL OBSERVATION ON THE URBAN ENVIRONMENT LOAN, AID DIRECTOR STATED THAT THE NUMBER OF GOVERNMENT INSTITUTIONS INVOLVED AND THE COMPLEXITY OF THE PROGRAM WOULD REQUIRE ORIENTATION AND COORDINATION BY A GOVERNMENT OFFICE OF THE HIGHEST LEVEL IN ORDER TO ASSURE THE ACHIEVEMENT OF THE PROGRAM'S OBJECTIVES. THE PRESIDENT-ELECT REPLIED THAT HIS SHOULD NOT BE A MATTER OF CONCERN SINCE IT WAS HIS INTENTION TO PROVIDE COORDINATION FOR THIS LOAN "AT THE LEVEL OF THE PRESIDENCY"; HE ADDED POINTEDLY THAT BY THIS HE DID NOT MEAN MERELY THE MINISTRY OF THE PRESIDENCY, BUT THE OFFICE OF THE PRESIDENT.

C. NATURAL RESOURCES CONSERVATION. DESTRUCTION OF COSTA RICA'S NATURAL RESOURCES, PARTICULARLY THROUGH DEFORESTATION AND EROSION, WAS NEXT ON THE AID AGENDA. USAID, IT WAS EXPLAINED, HAD RECEIVED REQUESTS TO HELP THE GOCR ESTABLISH A NATURAL RESOURCES INFORMATION SYSTEM (POSSIBLY USING REMOTE SENSOR TECHNOLOGY), AS WELL AS AN ENTITY WHICH COULD COORDINATE ACTIVITIES RELATED TO THE CONTROL OF EROSION, REFORESTATION AND WATERSHED MANAGEMENT. THE AID DIRECTOR ASKED THE PRESIDENT-ELECT ABOUT THE LIKELIHOOD OF ESTABLISHING INDERENA, THE GOVERNMENT ENTITY THAT HAS BEEN PROPOSED BY THE ODUBER GOVERNMENT, TO PROVIDE COORDINATION OF THE NATURAL RESOURCE ACTIVITIES. CARAZO REPLIED THAT THE PROBLEM WAS NOT ONE OF NEEDING

ANOTHER PUBLIC INSTITUTION, BUT RATHER THE FAILURE OF THE MINISTRY OF AGRICULTURE TO MAKE ADEQUATE USE OF THE LEGAL POWER AND RESOURCES IT HAS. DURING ENSUING DISCUSSION CARAZO SAID THAT HE PLANNED TO
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STRENGTHEN MINISTRY OF AGRICULTURE TO CARRY OUT MORE VIGOROUSLY NATURAL RESOURCE CONSERVATION FUNCTIONS RATHER THAN ESTABLISH A SEPARATE ENTITY.

9. THE CONTINUATION OF CONCESSIONAL AID TO THE "MIDDLE INCOME" COUNTRIES WITH PER CAPITA INCOMES IN EXCESS OF THE IDA LEVEL OF 550 DOLLARS PER YEAR WAS RAISED. AID DIRECTOR DESCRIBED THE PROPOSED "LATIN AMERICAN STRATEGY" AND THE CONCERN IT EXPRESSED ABOUT THE LARGE NUMBERS OF POOR IN MIDDLE INCOME COUNTRIES WHO STILL NEED ASSISTANCE.

10. THE PRESIDENT-ELECT STATED THAT HIS GOVERNMENT WILL BE EXTREMELY CONCERNED ABOUT THE ISSUE OF ELIGIBILITY FOR CONCESSIONAL AID NOT ONLY FROM AID BUT FROM THE MULTINATIONAL LENDERS AS WELL. HE SAID THAT HE INTENDED TO SPEAK OUT MOST STRONGLY AGAINST ANY ELIMINATION OF A FAIR SHARE OF CONCESSIONAL AID FOR COUNTRIES LIKE COSTA RICA, STATING THAT COSTA RICA'S POSITION WOULD BE "RADICAL" ON THIS ISSUE.

11. VICE PRESIDENT-ELECT ALFARO ECHOED CARAZO'S CONCERN, POINTING OUT THAT A GREAT DEAL OF POVERTY STILL EXISTS IN COSTA RICA, THAT AID IS USED MORE EFFECTIVELY HERE THAN IN MANY OTHER COUNTRIES, AND THAT PERHAPS MOST IMPORTANTLY, COSTA RICA'S EQUITABLE ECONOMIC DEVELOPMENT AND DEMOCRATIC TRADITIONS SERVE AS AN IMPORTANT EXAMPLE TO MANY OTHER DEVELOPING COUNTRIES PARTICULARLY IN LATIN AMERICA. FOR THESE REASONS, HE NOTED, THE US SHOULD NOT LIMIT OR WITHDRAW ITS SUPPORT. THE PRESIDENT-ELECT SUMMED UP THAT TO TERMINATE AID TO COSTA RICA WOULD BE LIKE CUTTING OF THE ENGINES OF AN AIRPLANE JUST AFTER TAKE-OFF. AMBASSADOR EXPLAINED COMPLEXITIES IN WAY OF EASY SOLUTION TO THIS PROBLEM AND EMPHASIZED THAT AID PROGRAM HERE HAS BEEN INCREASED AND FULL MISSION RE-ESTABLISHED IN RECOGNITION OF SOME OF THE ARGUMENTS MADE.

12. THE PRESIDENT-ELECT SHOWED SPECIAL INTEREST IN THE BASIC NEEDS INFORMATION SYSTEM PROPOSAL AND INDICATED THE OFFICIAL IN THE OFFICE OF THE PRESIDENT WITH WHOM WE SHOULD DISCUSS THE MATTER
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MMO-01 /130 W

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P R 241456Z APR 78
FM AMEMBASSY SAN JOSE
TO SECSTATE WASHDC PRIORITY 0880
INFO AMEMBASSY GUATEMALA
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13. ASSISTANCE FOR THE NATIONAL COUNCIL FOR SCIENTIFIC AND TECHNOLOGICAL RESEARCH (CONICIT) IN ITS EFFORTS TO PROMOTE SCIENTIFIC AND TECHNOLOGICAL RESEARCH RELATED TO DEVELOPMENT PROBLEMS WAS REVIEWED AND THE PRESIDENT-ELECT ALSO EXPRESSED KEEN INTEREST IN SUPPORT IN THIS AREA.

14. FAMILY PLANNING. THE AID DIRECTOR ASKED THE PRESIDENT-ELECT DIRECTLY ABOUT THE ATTITUDE OF HIS GOVERNMENT ON FAMILY PLANNING PROGRAMS. HIS RESPONSE, NOT ENTIRELY TONGUE-IN-CHEEK, WAS THAT HE FAVORED EVERYTHING "EXCEPT VETERINARY ACTIVITIES", ("TODO QUE NO SEA VETERINARIO"), I.E., HE APPARENTLY IS OPPOSED TO VOLUNTARY STERILIZATION AND ABORTION BUT NOT TO FAMILY PLANNING OR EDUCATION PROGRAMS OR THE DISTRIBUTION OF CONTRACEPTIVE DEVICES. THE SECOND VICE PRESIDENT NOTED THE CORRELATION OF EDUCATIONAL LEVEL WITH POPULATION GROWTH RATE. WE WILL EXPLORE ALL OF THIS MORE FULLY WITH
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CARAZO'S ADVISORS IN VIEW OF KNOWN DIFFERENCES OF VIEWPOINT WITHIN

HIS TEAM.

15. A SUMMARY OF PEACE CORPS ACTIVITIES CONCLUDED THE SESSIONS. CARAZO DISPLAYED GOOD FAMILIARITY WITH THE PEACE CORPS CONCEPT AND ITS PROGRAM IN COSTA RICA. PRESIDENT-ELECT TOOK SPECIAL NOTE OF THE NEED EXPRESSED BY THE PC DIRECTOR FOR A SPONSORING ORGANIZATION IN THE AREA OF REFORESTATION. CARAZO SUMMED UP HIS FEELINGS ON PEACE CORPS WITH HIS OBSERVATION THAT COSTA RICA AND HE KNOW, LIKE, AND APPROVE OF THE PEACE CORPS.

16. BEFORE BREAKING UP, CARAZO EXPRESSED SPECIAL INTEREST IN A PART OF THE BRIEFING MATERIALS IN WHICH WE CITED THE RELATIVELY LARGE NUMBER OF FUGITIVES FROM US JUSTICE WHO WERE ATTRACTED TO COSTA RICA AND THIS MATTER WAS DISCUSSED, WITH ROBERT VESCO TOUCHED ON ONLY TANGENTIALLY.

17. COMMENT. THE BRIEFING, WHICH, AT CARAZO'S SUGGESTION, LASTED LONGER THAN PLANNED, WAS AS FRANK AS IT WAS PROJ
VQ;3. THE COSTA
RICAN SIDE WAS OPEN, ATTENTIVE AND PROBLEM-ORIENTED IN ITS APPROACH. THE PRESIDENT-ELECT'S TAKE-CHARGE, EXECUTIVE DEMEANOR, PERSONAL WARMTH AND GENUINE INTEREST WERE EVIDENT; HIS INTENSE PERSONAL INTEREST SET THE TONE FOR THE MEETING. HIS GRASP OF DETAIL WERE ESPECIALLY NOTEWORTHY, AS WAS HIS INTEREST IN AND FOCUS ON THE AID PROGRAM AND ITS PROBLEMS. RE THE LATTER, CARAZO WAS ALREADY WILLING TO INDICATE A NUMBER OF SIGNIFICANT POLICY DIRECTIONS HIS GOVERNMENT WOULD TAKE AND CLARIFIED WHO ON HIS STAFF WILL RESOLVE PROBLEMS IN SPECIFIC AREAS, NOT BAD FOR A MAN STILL THREE WEEKS FROM TAKING OFFICE. CARAZO WAS FIRM AND CONVINCING IN HIS ASSERTION THAT DEVELOPMENT PROGRAMS WOULD MERIT HIS SPECIAL AND PERSONAL ATTENTION, THAT THEY WOULD BE MONITORED CLOSELY IN THE OFFICE OF THE PRESIDENT. AGAIN, HE LOOKS AND ACTS LIKE A MAN WHO CANNOT WAIT
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TO TAKE CHARGE.

18. THE MEETING SUGGESTS CONTINUATION OF A PRODUCTIVE, POSITIVE, AND FORTHRIGHT RELATIONSHIP BETWEEN THE CARAZO GOVERNMENT AND THE USG, BUT ONE WHICH, AT LEAST IN EARLY MONTHS, WILL FUND US UNDER PRESSURE FROM AN ACTIVIST, HARD-CHARGING GROUP TO PROVIDE MORE SUPPORT THAN POSSIBLY WE CAN OR SHOULD IN SOME AREAS OF DEVELOPMENT CONCERN.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESIDENT, BRIEFING MATERIALS, PRESIDENT ELECT, DIPLOMATIC DISCUSSIONS, FOREIGN POLICY POSITION
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Copy: SINGLE
Draft Date: 24 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978SANJO01779
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780187-0279, D780175-0879
Format: TEL
From: SAN JOSE
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Legacy Key: link1978/newtext/t19780424/aaaaatud.tel
Line Count: 541
Litigation Code IDs:
Litigation Codes:
Litigation History:
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Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 10
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 08 jul 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2869652
Secure: OPEN
Status: NATIVE
Subject: BRIEFING OF PRESIDENT-ELECT AND KEY ADVISORS ON MAJOR US PROGRAMS AND INTERESTS
TAGS: ECRP, OGEN, PEPR, CS, US, (CARAZO ODIO, RODRIGO)
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/91c6c9a8-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014